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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - June 8, 2007

¶1. The following are brief items of interest compiled by Embassy Minsk.

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CIVIL SOCIETY

¶2. Opposition Protests Benefits Cuts for Children

On June 1, opposition activists staged an authorized rally in Brest to protest the GOB's decision to suspend benefits for small children. Approximately 80 people participated in the demonstration and collected 60 signatures to petition the Supreme and Constitutional Courts to reexamine the decision.

¶3. Holocaust Memorial Unveiled at Former Ghetto Site

A Jewish community near Beryoz on June 3 unveiled a Holocaust memorial located on the site of the largest mass grave in Belarus, where Nazi troops executed 50,000 Jews. A Los Angeles-based association of Jewish emigrants supported the project. Ceremony attendees included delegations from Israel and the United States and local officials and residents.

¶4. Youth Activists Receive Short Jail Sentences

On June 4, authorities gave six youth activists short jail sentences for participating in an unsanctioned demonstration on June 1 protesting the GOB's decision to suspend discounted bus fares and other social benefits for students. Pavel Vinogradov and Pavel Markevich received five and three-day jail sentences, respectively,

and immediately began a hunger strike to protest the court's verdict. Activists Aleksandr Borzenko, Pavel Chumakov, Pavel Viltovsky, and Vadim Borovik received three days in jail, with Borovik also having to pay a USD 290 fine. All activists have since been released.

15. Catholics Petition GOB to Return Former Monastery

By June 4, the St. Joseph Catholic community collected over 20,000 signatures petitioning authorities to return the former Bernardine monastery buildings in central Minsk to the church. Community activists launched the campaign on March 7 in protest of city plans to turn the monastery into a hotel and entertainment center. The St. Joseph community has held regular prayer services at the site after first learning of reconstruction plans in 2004. On May 28, the Minsk mayor announced that reconstruction would proceed as planned, since the building had not been used for worship in 142 years. The mayor "reassured" protesters that the reconstruction would in no way insult believers' religious faith.

16. Youth to Demonstrate For Release of Political Prisoners

On June 6, youth opposition activists applied to the Minsk city authorities for permission to stage rallies in Minsk on June 11 and 17 to demand the release of political prisoners, particularly Malady Front (MF) leaders Dmitry Dashkevich and Artur Finkevich. Activists want to hold the demonstrations in front of the BKGB building and Parliament in downtown Minsk in order to draw public attention to political prisoner cases.

17. Malady Front Applies for Registration

MF on June 6, in its sixth attempt, applied to the Ministry of Justice (MOJ) to register the organization. MF leader Boris Goretsky said MF followed the MOJ's recommendations and submitted

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revised paperwork to officials. Should they be denied, Goretsky plans to appeal the decision.

DOMESTIC ECONOMY

18. Belarus' Foreign and Internal Debt Down

The Finance Ministry on May 31 announced that Belarus' foreign debt decreased 1.4 percent in April to USD 842 million, with Belarus' biggest creditors being Germany, the World Bank, the U.S. and Russia. The country's internal debt decreased on the month by 1.7 percent to USD 2.16 billion. Annual internal debt decreased by 2.1 percent of the GDP.

19. Industrial Overstock Up 40.2 Percent in January-April

The Ministry of Statistics on June 1 reported that the amount of unsold stock at Belarusian industrial companies increased 40.2 percent in January-April to USD 1.66 billion. Unsold stock in May accounted for 65.6 of monthly production, up 11.8 percent on January.

110. GOB Applies "Golden Share," Again

The GOB on June 4 issued a resolution to apply its "golden share" rule at a factory in the Grodno region. The factory, which produces locks, fell into debt in recent years. Although the company's operations improved this year, the Ministry of Industry claimed that no further improvement was possible without significant GOB investment, which only state-owned businesses are eligible for. The state currently owns 49 percent of the company, but will soon increase its share to 100 percent.

International Trade

111. Gazprom Receives 12.5 Percent of Beltransgaz

Belarus' State Property Committee on June 6 announced that the state energy monopoly Beltransgaz sold 12.5 percent of its shares to Russia's Gazprom for USD 625 million. The purchase is the first of four payments under the May 18 Belarus-Russian agreement that would give Gazprom a 50 percent stake in the Belarusian energy concern by 2010. Within 50 days of each transfer, Beltransgaz's general staff will elect a Gazprom representative to the company's eight-member supervisory council.

Quote of the Week

12. In a June 1 interview with the independent newspaper Narodnaya Volya, Deputy Head of the Presidential Administration (PA) Natalya Petkevich set the record straight about rumors of her replacing Gennadiy Nevyglas as Head of the PA.

"To be honest, I do not want the position. Honestly. That position is not for me. I think that Gregory Aleksyevich (Nevyglas) is still young and has enough energy. Let him continue his work."

STEWART